

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 975 - SB 1320

March 30, 2011

SUMMARY OF BILL: Authorizes the Department of Health (DOH) to supplement existing adult emergency dental services for indigent adults, to the extent that funds are appropriated, including county or metropolitan services, faith based services, creation of a network of private dentists accepting reduced fees for treatment of indigent patients, and creation of a hotline for emergency referrals.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$127,600/One-Time
\$11,881,700/Recurring**

Assumptions:

- According to DOH, currently there are no funds available for this program.
- If funds became available through an appropriation from the General Assembly or through TennCare reserves, there would be a significant impact as the Department would be responsible for the implementation of the hotline, the private dentist discounted fee network, as well as any augmentation of the rural and metro health departments and faith based agencies.
- It is estimated that, as a result of this bill, 58,000 additional patients will visit local health departments. Of that, 35 percent, or 20,300, will receive services in the six contracted metropolitan counties and the remaining 65 percent, or 37,700, will receive services in the 89 rural counties.
- It is assumed that all additional patients would receive services in the private sector.
- It is estimated that a TennCare reimbursement is \$107 and a private sector charge is \$206.57. The fiscal impact is based on an average payment of \$157.
- Emergency dental services for the 89 rural health departments is estimated to increase expenditures by \$5,918,900 (37,700 x \$157).
- It is estimated that each of the seven regional health departments will need two additional administrative assistants and the central office will need three additional administrative assistants.
- The 17 [(7 x 2) + 3] additional positions will increase recurring state expenditures by \$1,158,789, which includes salaries (\$647,604), benefits (\$220,185), administrative allocation (\$134,300), communications and networking (\$25,800), office leases (\$69,700), travel (\$51,000), and supplies (\$10,200). There will be an increase in one-

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time state expenditures of \$127,600 for computers (\$27,200), printers (\$1,700), and office landscaping (\$98,700).

- The Department contracts with six metropolitan health departments. It is estimated that the contracts will have to be increased by \$4,803,988 which includes dental services ($20,300 \times \$157 = \$3,187,100$) and additional staff (\$1,616,888).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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